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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
JANUARY 1958

Volume 2

Number 6

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY JANUARY 1958

The Order MINIMUM uniform price payable to producers for milk delivered during January to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley and McMinn Counties Tennessee is \$4.94 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.1¢ for each one tenth of one percent above or below 4 percent. (Page 3) It is reported by Chattanooga Area Milk Producers' Association that their negotiated premium producer blend price will be \$5.14 for milk testing 4.0% butterfat.

During January 81.9% of total producer milk was priced in Class I at \$5.29 per cwt. with a handler butterfat differential of 7.8¢ and 18.1% was priced in Class II at \$3.56 per cwt. with a butterfat differential of 6.8¢. (Page 3) The percent of producer skim and butterfat priced in Class I was 82.6% and 66.5% respectively.

The daily average deliveries of producer milk during January increased 0.1% compared with December and increased 2.3% compared with January 1957. The daily average use of Class I milk increased 4.8% compared with December and increased 3.6% compared with January 1957.

The Order MINIMUM Class I price for February is \$5.31, an increase of 2 cents from the January price. (Basic formula \$3.56 plus \$1.75 Class I Differential). The Chattanooga Area Milk Producers' Association reports negotiated premium of 25¢ over Order Class I price for all its producer milk priced in Class I during Feb. 1-15, 1958.

DECEMBER 1957 DAILY AVERAGE MILK DELIVERIES AND NUMBER OF PRODUCERS BY COUNTIES
COMPARED WITH DECEMBER 1956

County	December 1957				December 1956			
	Average Deliveries	% of Total	No. Prod.	Avg. Lbs. Per Farm	Average Deliveries	% of Total	No. Prod.	Avg. Lbs. Per Farm
<u>TENNESSEE</u>								
Hamilton	42,532	11.01	67	635	39,820	10.77	67	594
Bradley	77,573	20.08	181	429	76,704	20.75	183	419
McMinn	92,893	24.05	197	472	87,231	23.60	192	454
Polk	15,585	4.04	25	623	15,167	4.10	25	607
Meigs	16,477	4.27	39	422	15,547	4.21	41	379
Loudon	5,192	1.34	11	472	5,473	1.48	10	547
Monroe	16,053	4.16	28	573	11,802	3.19	24	492
Rhea	13,146	3.40	34	387	14,196	3.84	35	406
Bledsoe	7,435	1.93	18	413	5,686	1.54	14	406
Sequatchie	13,503	3.50	29	466	13,717	3.71	29	473
Marion	13,995	3.62	38	368	15,362	4.16	38	404
Franklin	9,770	2.53	20	489	7,526	2.04	17	443
<u>GEORGIA</u>								
Walker	20,998	5.44	40	525	22,165	6.00	40	554
Catoosa	24,654	6.38	40	616	24,064	6.51	42	573
Dade 1/								
<u>ALABAMA</u>								
Jackson	10,625	2.75	19	559	10,135	2.74	20	507
DeKalb	5,804	1.50	24	242	5,054	1.36	22	230
TOTAL	386,235	100.00	810	477	369,649	100.00	799	463

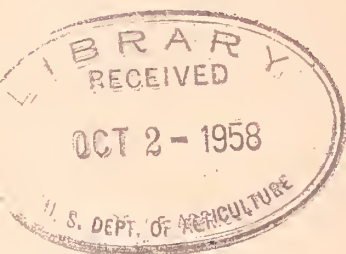
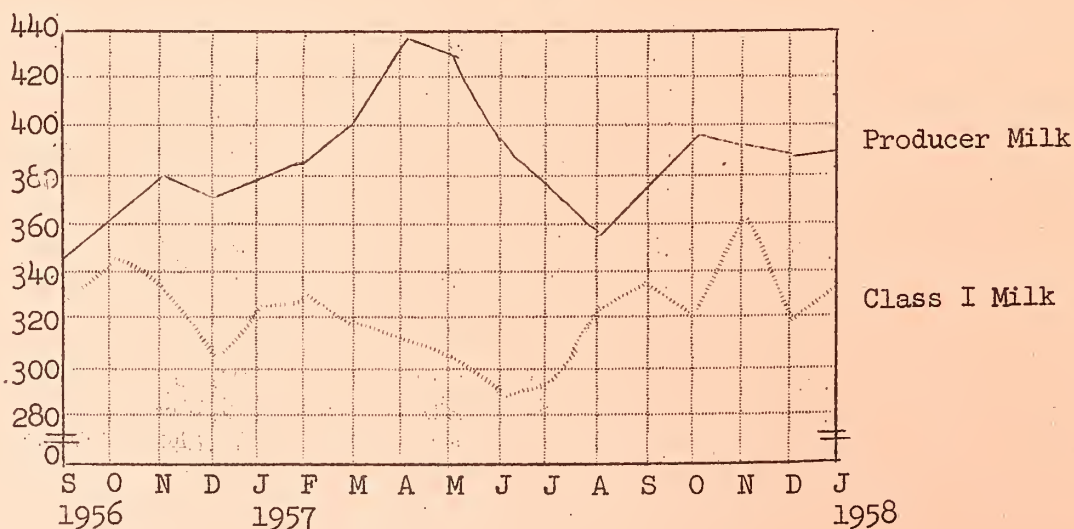
1/ One Producer included with Catoosa County

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	<u>Jan. '58</u>	<u>Dec. '57</u>	<u>Jan. '57 ^{1/}</u>
Number of Plants (Pool and Non-Pool)	22	22	20
<u>GROSS RECEIPTS (DAILY)</u>			
Producer Milk - Cans	-	283,283	324,069
Producer Milk - Bulk Tank	-	102,952	53,779
Total Producer Milk Pounds	386,539	386,235	377,848
% Jan. '58 compared with:	100.0	100.1	102.3
Other Source Milk Pounds	7,697	9,925	11,000
Other Order Milk Pounds	13,242	11,967	11,522
<u>TOTAL MILK POUNDS</u>	407,478	408,127	400,370
% Jan. '58 compared with:	100.0	99.8	101.8
<u>GROSS UTILIZATION (DAILY)</u>			
Class I Milk Pounds			
Fluid Milk	271,829	255,269	271,095
Buttermilk	37,794	34,318	36,739
Chocolate Milk	6,221	5,813	6,472
Fluid Skim	6,008	5,000	5,322
Fluid Creams	1,922	2,120	1,915
Bulk to Non-Handlers	9,444	15,474	859
Class I Shrinkage	1,515	1,047	555
Inventory Reclassification	(628)	(323)	(568)
Overstated Sales	-0-	-0-	-0-
<u>TOTAL CLASS I MILK</u>	334,105	318,718	322,389
% Jan. '58 compared with:	100.0	104.8	103.6
Class II Milk Pounds (Used to Produce)			
Butter	3,688	3,709	4,200
Cottage Cheese	9,990	7,928	6,786
Powder and Condensed Milk	34,890	50,102	39,784
Ice Cream	15,341	11,982	14,567
Inventory Variation	2,011	2,042	5,890
Other	7,453	13,646	6,754
<u>TOTAL CLASS II MILK</u>	73,373	89,409	77,981
% Jan. '58 compared with	100.0	82.1	94.1
% Producer Milk of Gross Class I	115.7	121.2	117.2
% Producer Skim of Gross Class I Skim	114.7	120.2	116.2
% Producer Bf. of Gross Class I	142.4	147.4	144.7
% Producer Milk Priced in Class I	81.9	77.9	80.4

^{1/} Revised per audit

DAILY AVERAGE PRODUCER RECEIPTS AS COMPARED TO GROSS CLASS I UTILIZATION
(1000 lbs. per day)



SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JANUARY 1958

Based on 22 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		10,357,259	3.637		
Less Other Source		545,096	3.651		
Producer Milk Class I	81.9	9,812,163	3.636711	\$5.006635	\$491,259.19
Gross Class II		2,274,577	7.890		
Less Other Source		104,010	0.000		
Producer Milk Class II	18.1	2,170,567	8.268531	6.462601	140,275.08
TOTAL PROD. (Cl. I + Cl. II)	100.0	11,982,730	4.475725		631,534.27
Less Fractional Adjustment					(.06)
Add Unpriced Milk Allocated to Cl. I		154,045		0.35	539.16
Add Overage Value					252.64
Add Inventory Reclass. Value					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,811.89
TOTAL VALUE AT TEST		11,982,730	4.475725		638,137.90
Less Test Over 4% @ 7.1¢ per point		11,982,730	.475725	0.337765	40,473.47
TOTAL VALUE AT 4%		11,982,730	4.0	4.987715	597,664.43
Less Producer-Settlement Fund Reserve		11,982,730		.047715	5,717.56
UNIFORM PRICE f.o.b. POOL PLANT		11,982,730	4.0	4.94	591,946.87

JANUARY 1958 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Miles)

BUTTERFAT DIFFERENTIAL 7.1¢ PER POINT

(Excludes Premium)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.23	3.6	\$4.656	4.2	\$5.082	4.8	\$5.508	5.4	\$5.934
3.05	4.2655	3.65	4.6915	4.25	5.1175	4.85	5.5435	5.45	5.9695
3.1	4.301	3.7	4.727	4.3	5.153	4.9	5.579	5.5	6.005
3.15	4.3365	3.75	4.7625	4.35	5.1885	4.95	5.6145	5.55	6.0405
3.2	4.372	3.8	4.798	4.4	5.224	5.0	5.65	5.6	6.076
3.25	4.4075	3.85	4.8335	4.45	5.2595	5.05	5.6855	5.65	6.1115
3.3	4.443	3.9	4.869	4.5	5.295	5.1	5.721	5.7	6.147
3.35	4.4785	3.95	4.9045	4.55	5.3305	5.15	5.7565	5.75	6.1825
3.4	4.514	4.0	4.94	4.6	5.366	5.2	5.792	5.8	6.218
3.45	4.5495	4.05	4.9755	4.65	5.4015	5.25	5.8275	5.85	6.2535
3.5	4.585	4.1	5.011	4.7	5.437	5.3	5.863	5.9	6.289
3.55	4.6205	4.15	5.0465	4.75	5.4725	5.35	5.8985	5.95	6.3245

PRODUCER BASE NOTICE FOR 1958

The average daily bases that producers established during the months of September, 1957 through January, 1958 will be announced by the Market Administrator before March 1, 1958. If any producer who established a base does not receive a base notice, he should contact the office of the Market Administrator. During the months of March through July, 1958, all Chattanooga producers will receive settlement for their milk at a base price and an excess price. The milk delivered by each producer above his monthly base will be paid for at the excess price. If base deliveries are less than Class I utilization, the excess price will be increased to the extent excess milk is used in Class I.

ACTIVITIES OF CHECK TESTERS JANUARY 1958: Plant Scales checked 10; Plant calls 134; Samples tested - Composite 2,316, Fresh 5,647, Finished Products 236.

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan.'57	\$4.97 ¹ / ₂	-	-	7.1¢	\$5.37 ¹ / ₂	7.8¢	\$3.53	6.8¢
Feb.	4.90 ¹ / ₂	-	-	7.1	5.36 ¹ / ₂	7.7	3.24	6.8
Mar.	4.76 ² / ₂	\$5.01 ¹ / ₂	\$3.14	7.1	5.33 ¹ / ₂	7.7	3.18	6.8
Apr.	4.55 ² / ₂	4.90 ¹ / ₂	3.09	7.1	5.28	7.7	3.13	6.8
May	4.54 ² / ₂	4.88 ¹ / ₂	3.07	7.1	5.28	7.7	3.11	6.8
June	4.55 ² / ₂	4.82 ¹ / ₂	3.04	7.1	5.28	7.7	3.08	6.8
July	4.69 ² / ₂	4.96 ¹ / ₂	3.00	7.1	5.28	7.7	3.04	6.8
Aug.	4.94 ¹ / ₂	-	-	7.2	5.28	7.7	3.06	6.9
Sept.	4.98 ¹ / ₂	-	-	7.3	5.29 ¹ / ₂	7.7	3.61	7.0
Oct.	4.92 ¹ / ₂	-	-	7.2	5.36 ¹ / ₂	7.9	3.55	6.9
Nov.	5.06 ¹ / ₂	-	-	7.1	5.30 ¹ / ₂	7.8	3.53	6.8
Dec.	4.87 ¹ / ₂	-	-	7.2	5.28 ¹ / ₂	7.7	3.54	6.9
Jan.'58	4.94 ¹ / ₂	-	-	7.1	5.29 ¹ / ₂	7.8	3.56	6.8
Feb.	-	-	-	-	5.31 ¹ / ₂	7.7	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula
	Cond.	Chi.92°	Chi.Area	Wisc.	(\$-cwt-4%)				
	Mid-West	Butter	Powders	Cheese	Cond.	Butter	Butter 4	Tenn.	
	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	Mid-West	Cheese	Powder	Milk Mfg.	\$-cwt-4%
Jan.'57	3.254	59.386	14.275	33.250	3.61	3.24	3.53	3.26	3.61
Feb.	3.229	59.375	14.235	33.417	3.58	3.24	3.53	3.24	3.58
Mar.	3.171	59.375	14.230	33.534	3.53	3.24	3.53	3.18	3.53
Apr.	3.098	59.375	14.285	33.218	3.45	3.24	3.53	3.13	3.53
May	3.067	59.375	14.265	33.208	3.42	3.24	3.53	3.11	3.53
June	3.058	59.375	14.305	33.208	3.41	3.24	3.53	3.08	3.53
July	3.042	59.375	14.155	33.208	3.40	3.24	3.53	3.04	3.53
Aug.	3.062	59.597	14.275	33.208	3.42	3.25	3.54	3.06	3.54
Sept.	3.096	61.100	14.355	33.250	3.46	3.32	3.61	3.11	3.61
Oct.	3.135	59.815	14.410	33.250	3.50	3.26	3.55	3.14	3.55
Nov.	3.150	59.375	14.450	33.250	3.51	3.24	3.53	3.19	3.53
Dec.	3.146	59.685	14.475	33.250	3.51	3.25	3.54	3.21	3.54
Jan.'58	3.133	59.375	14.535	33.250	3.49	3.24	3.56	3.19	3.56

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK $\frac{3}{2}$					Number of		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross		Farm -- Pounds			Milk	
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.	Prod.	Base	Exc.	Test%	
Jan. '57	322,389	303,901	377,848	-	400,370	20	801	472	-	-	4.53
Feb.	324,782	304,944	384,266	-	408,530	20	798	482	-	-	4.40
Mar.	317,192	298,741	399,102	345,439	421,610	20	794	503	435	68	4.36
Apr.	313,445	294,559	436,136	351,967	459,103	21	797	547	442	105	4.24
May	304,537	285,723	429,661	349,026	453,513	21	793	542	440	102	4.22
June $\frac{4}{2}$	285,439	267,528	392,424	334,437	415,157	21	793	495	422	73	4.23
July	297,391	279,329	373,575	322,798	397,274	21	792	472	408	64	4.20
Aug.	323,490	304,724	355,141	-	379,144	21	806	441	-	-	4.19
Sept.	335,187	316,764	376,312	-	400,960	21	811	464	-	-	4.29
Oct.	322,899	304,440	395,303	-	417,523	21	812	487	-	-	4.47
Nov.	361,585	344,230	389,488	-	410,882	21	811	480	-	-	4.49
Dec.	318,718	301,044	386,235	-	408,127	22	810	477	-	-	4.50
Jan. '58	334,105	316,521	386,539	-	407,478	22	805	480	-	-	4.48

¹/₂ Excludes Premium²/₂ For statistics only³/₂ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base.⁴/₂ Audited figures through June 1957